

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES COMPANY)	
FOR A CERTIFICATE OF CONVENIENCE AND)	CASE NO.
NECESSITY TO CONSTRUCT A SCRUBBER ON UNIT)	92-005
NO. 1 OF ITS GHENT GENERATING STATION)	

O R D E R

IT IS ORDERED that the Kentucky Utilities Company ("KU") shall file an original and 15 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. The information requested herein is due no later than March 25, 1992. If the information cannot be provided by this date, you should submit

a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Concerning the response to Item 4 of the February 25, 1992 Order, provide additional narratives or workpapers which explain the calculations shown in the response. Include as part of explanation how the EPRI \$21.1/kw-yr value was calculated and how the operating costs were reduced from \$11 million to \$9 million.

2. To clarify the information requested in Item 21 of the February 25, 1992 Order, the component parts of the internal sources of funds were envisioned to include dollar amounts. With this clarification, provide the originally requested breakdown of the Internal Sources funding, including dollar amounts. KU is aware it may file a petition of confidentiality concerning the disclosure of sensitive financial information.

3. The response to Item 23 of the February 25, 1992 Order is not satisfactory. KU filed the results of its 5-year financial forecast as part of this certificate proceeding. The 5-year financial forecast indicated how KU was planning to finance the proposed construction of the Ghent 1 scrubber. Therefore, the information requested in Item 23 is relevant to this proceeding. Provide the requested computer output generated by the financial forecast.

4. Provide the input summary for Plans 1, 3, and 6 from PROSCREEN II, version 9.

5. Provide a detailed budget for the \$753,424,000 in construction expenditures projected in Hewett Exhibit 1.

6. Provide a detailed explanation of the basis for depreciating scrubbers in PROSCREEN II over a 20-year period.

7. a. Using PROSCREEN with the fuel costs from the September 1991 fuel forecast and the O&M correction described in the response to Item 12 of the Commission's February 25, 1992 Order, provide the cumulative PVRR for the following scenario: Fuel switch Ghent 1 in 1995 to Eastern US Compliance Coal and co-fired Brown units with natural gas. Scrub Ghent 1 and 2 in 2000.

b. Indicate whether this scenario would bring KU into Phase I and II Compliance.

8. Refer to KU's response to Item 31 of the Commission's February 25, 1992 Order which referred to an attachment that was not filed. Provide the attachment.

9. The response to Item 18 of the Commission's February 25, 1992 Order shows the cumulative PVRR values for Plans 1 through 9 reflecting the cost data received through KU's bidding of the proposed Ghent 1 scrubber. The response to Item 33 of that Order includes the September 1991 fuel forecast and indicates that this forecast will be used in the new base case to be developed by the end of this month.

Provide the cumulative PVRR values for Plans 1 through 9 reflecting: (1) the cost data received through the bidding on the scrubber; (2) the fuel costs from the September 1991 fuel

forecast; and (3) the O&M correction described in the response to Item 12 of the Commission's Order. If the entire response cannot be provided by March 25, 1992, provide a partial response and state when the remainder of the information will be filed.

10. In response to Item 3 of the AG's data request dated February 21, 1992, KU provided the cumulative PVRR for Plans 1, 3, 4 and 6 based on a sensitivity analysis of the costs for medium sulfur, low sulfur, and compliance grade coal.

a. Provide the cumulative PVRR for these four plans based on a similar sensitivity analysis of the fuel costs from the September 1991 fuel forecast, as reflected in the response to the previous question. If the entire response cannot be provided by March 25, 1992, provide a partial response and state when the remainder of the information will be filed.

b. Graph 2 of the response shows the difference between the cumulative PVRR of Plans 6 and 3 is reduced to \$30 million at minus 15 percent. At what percentage are the PVRR of the two plans equal, based on the September 1991 fuel forecast? Show the PVRR amounts. If the entire response cannot be provided by March 25, 1992, provide a partial response and state when the remainder of the information will be filed.

Done at Frankfort, Kentucky, this 17th day of March, 1992.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


For the Commission